

Message Text

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ACTION NEA-16

INFO OCT-01 EUR-25 ISO-00 AGR-20 LAB-06 HEW-08 SCCT-02

ACDA-19 AID-20 CIAE-00 COME-00 EB-11 FRB-03 INR-11

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-03

SIL-01 OMB-01 NSC-07 SS-20 STR-08 CEA-02 SAM-01

FEAE-00 CU-05 SCI-06 DODE-00 PM-07 H-03 L-03 PA-04

PRS-01 USIA-15 DRC-01 /253 W
----- 110558

R 061249Z AUG 74

FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 7636
INFO AMEMBASSY BEIRUT
AMEMBASSY ISLAMABAD
/AMEMBASSY KABUL 2731
AMEMBASSY KUWAIT
AMEMBASSY NEW DELHI
AMEMBASSY JIDDA
AMEMBASSY MANAMA
AMEMBASSY ANKARA

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KUWAIT PASS DOHA; BEIRUT PASS USINT BAGHDAD; KUWAIT PASS MUSCAT;
ANKARA FOR LABOR ATTACHE

E.O. 11652: N/A

TAGS: SWEL, ELAB, EAGR, ECON, IR

SUBJ: SHAH ADDRESSES FIFTH PLAN REVISION CONFERENCE

REF: TEHRAN 6458

SUMMARY: IN WIDE-RANGING ADDRESS TO RAMSAR CONFERENCE AUGUST 1 AND
ANOTHER CLOSING SPEECH AUGUST 2 SHAH DIRECTED A NATION-WIDE ASSAULT
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ON CORRUPTION, A GREATLY EXPANDED SOCIAL WELFARE AND EDUCATION

PROGRAM, CONTINUED STRENGTHENING OF ARMED FORCES, VIGILANCE AGAINST TERRORISM, AND MAINTENANCE OF RESPONSIBLE ROLE IN FOREIGN ECONOMIC AND COMMERCIAL AFFAIRS. REVISED FIFTH PLAN WILL INCREASE PROPOSED GOI EXPENDITURES BY 1978 TO \$68.6 BILLION AND DOUBLE PER CAPITA INCOME. SHAH CALLED ATTENTION TO IRAN'S GROWING MAN-POWER DEFICIT AND POSTULATED LINK BETWEEN INTERNAL TERRORISM AND IRAN'S 1971-1973 CAMPAIGN TO CONTROL ITS OIL RESOURCES. END SUMMARY.

1. HIS MAJESTY DELIVERED WHAT AMOUNTED TO STATE OF THE NATION ADDRESS AT OPENING OF CONFERENCE ON REVISION OF FIFTH PLAN AUGUST 1. SHAH COVERED SAME POINTS MORE BRIEFLY DURING CLOSING SPEECH IN WHICH HE CAUTIONED MINISTERS THAT PROBLEMS OF CARRYING OUT PLAN MAY PROVE MORE DIFFICULT THAN THEY ANTICIPATE. ECONOMIC ASPECTS COMMENTED ON IN REFTEL. POLITICAL/SOCIAL HIGHLIGHTS FOLLOW. (WE ARE POUCHING TRANSLATIONS OF BOTH ADDRESSES TO DEPARTMENT.)

2. CORRUPTION: DECLARING HIMSELF DETERMINED TO ROOT OUT AND PUNISH ALL FORMS OF CORRUPTION, SHAH ISSUED BROAD DEFINITION OF CORRUPTION WHICH INCLUDED NOT ONLY GRAFT, EMBEZZLEMENT, AND OTHER CRIMES BUT ALSO IDLENESS, MALINGERING, AND LAZINESS AMONG STUDENTS AND WORKERS. SPECIAL STRESS WAS PLACED ON GOVERNMENT WORKERS WHO WERE ENJOINED TO PUT IN FULL DAY'S WORK AND NOT TO DEMAND HIGHER WAGES IF THEIR SALARIES AND FRINGE BENEFITS EQUAL THOSE OF PRIVATE SECTOR.

3. WELFARE:

A. SHAH ANNOUNCED SUBSIDIES ON FOODSTUFFS, TRANSPORTATION AND SOCIAL WELFARE TO AID LOW-INCOME GROUPS. EDUCATION THROUGH FIRST EIGHT YEARS OF SCHOOL AND AT VOCATIONAL SCHOOLS WILL BE FREE, AND STUDENTS DESTINED FOR GOVERNMENT JOBS WILL BE GIVEN FREE UNIVERSITY EDUCATION.

B. AFTER NOTING ADVANCES IN HEALTH CARE, MONARCH DECLARED IRAN WAS READY TO PAY ALL EXPENSES FOR ANY IRANIAN OR FOREIGNER TO BUILD, EQUIP AND STAFF MODERN HOSPITALS IN IRAN.

C. TAXES WILL BE WAIVED FOR ALL WHOSE ANNUAL SALARY IS LESS THAN 144,000 RIALS AND WILL BE REDUCED FOR ALL EARNING LESS THAN 700,000 RIALS PER ANNUM, BUT WILL BE INCREASED FOR ALL WHO MAKE MORE THAN THAT. SHAH MILDLY CRITICIZED MINISTRY OF ECONOMICS AND FINANCE WHEN HE SAID QTE GRADUALLY THE MINISTRY OF FINANCE IS BEGINNING TO LIMITED OFFICIAL USE

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UNDERSTAND HOW TO COLLECT TAXES. UNQTE.

4. TERRORISM/MILITARY BUILDUP: SOVERIGN LINKED OUTBREAK OF TERRORISM IN IRAN IN 1971-1973 WITH IRANIAN STRUGGLE TO GAIN CONTROL OF AND MAXIMIZE INCOME FROM ITS OIL. IN RIDICULING ISLAMIC-MARXISTS PHILOSOPHY AS A CONTRADICTION IN TERMS HE PLACED BLAME FOR VIOLENT OPPOSITION TO HIS REGIME ON "TEDEH (COMMUNIST) IL FRONT". WITHOUT NAMING IRAQ, SHAH WENT ON TO DESCRIBE EXTERNAL

THREATS TO IRAN AND TO EXTOL PRESENT AND FUTURE PERSIAN MILITARY MIGHT. HE REITERATED HIS NATION'S RESOLVE NOT RPT NOT TO GO NUCLEAR AND TO CONTINUE SUPPORTING A "NUCLEAR FREE ZONE".

5. MANPOWER SHORTAGES: THOROUGHOUT BOTH SPEECHES RUNS THREAD OF LACK OF MANPOWER AS MAJOR STUMBLING BLOCK TO AMBITIOUS PLANS FOR UTILIZATION OF INCREASED OIL MONIES. IRANIANS AT ALL LEVELS WERE ENJOINED TO WORK HARDER TO INCREASE OUTPUT. NEED TO MAKE BETTER USE OF WOMEN IN LABOR FORCE WAS STRESSED, AND SHAH MENTIONED FOUR TIMES THE POSSIBILITY THAT SKILLED OR UNSKILLED WORKERS MIGHT HAVE TO BE BROUGHT IN FROM OTHER COUNTRIES.

6. COMMENT: SHAH'S TWO SPEECHES WERE OBVIOUSLY INTENDED FOR FOREIGN AS WELL AS DOMESTIC CONSUMPTION. WHILE TONE OF SPEECHES REFLECTS PRIDE IN ACCOMPLISHMENTS AND OPTIMISM THAT IRAN WILL BE ABLE TO ALMOST DOUBLE PER CAPITA INCOME BY 1978 (FROM \$910 TO \$1700), SHAH EMPHASIZED THAT RESULTS WILL NOT COME AUTOMATICALLY BUT WILL REQUIRE GREATER EFFORT AND EFFICIENCY ON PART OF ALL IRANIANS. THIS IS A BASIC AND RECURRING THEME IN SHAH'S DRIVE TO ACHIEVE THE "GREAT CIVILIZATION" DURING THIS GENERATION.
HELMS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC DEVELOPMENT, EDUCATION, CORRUPTION, PROGRAMS (PROJECTS), SOCIAL SERVICES, MILITARY CAPABILITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 06 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TEHRAN06505
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740214-0534
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740869/aaaachjs.tel
Line Count: 136
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: TEHRAN 6458
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 13 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13-Aug-2002 by boyleja>; APPROVED <24 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHAH ADDRESSES FIFTH PLAN REVISION CONFERENCE
TAGS: SWEL, ELAB, EAGR, ECON, IR, (PAHLAVI, MOHAMMAD REZA)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005